

**CONTRACT #28**  
**RFS # N/A**

**Tennessee Board of Regents**  
**University of Memphis**

**VENDOR:**  
**Learfield Communications,**  
**Inc., and Tiger Sports**  
**Properties, LLC**



## Tennessee Board of Regents

1415 Murfreesboro Road - Suite 350 - Nashville, Tennessee 37217-2833  
(615) 366-4400 FAX (615) 366-4464 www.tbr.edu

May 18, 2007

RECEIVED → 4:45 p.m.

MAY 18 2007

FISCAL REVIEW

Ms. Leni S. Chick  
Fiscal Analyst  
Rachel Jackson Building, 8<sup>th</sup> Floor  
Nashville, TN 37243

Dear Ms. Chick:

Enclosed please find an Amendment between the University of Memphis and Learfield Communications, Inc. and Tiger Sports Properties, LLC. for exploitation of multi-media rights. Please note the term of this Amendment begins July 1, 2007.

Per Fiscal Review's request to see non-competitive agreements, this contract must be approved by the Committee. **Please contact me regarding the date this will go before the Fiscal Review Committee and I will inform the representatives to insure they are present for the meeting in which the contract will be discussed.** If you have any questions, please do not hesitate to contact me at 366-4436.

Information regarding the contract may be sent to my attention at the Tennessee Board of Regents, 1415 Murfreesboro Road, Suite 350, Nashville, Tennessee 37217.

Sincerely,

*Angela A. Gregory*

Angela A. Gregory  
Director of Purchasing and Contracts

cc: Charles Manning  
Bob Adams  
Sheri Lipman, UOM

Austin Peay State University • East Tennessee State University • Middle Tennessee State University • Tennessee State University  
Tennessee Tech University • University of Memphis • Chattanooga State Technical Community College  
Cleveland State Community College • Columbia State Community College • Dyersburg State Community College  
Jackson State Community College • Motlow State Community College • Pellissippi State Technical Community College  
Roane State Community College • Southwest Tennessee Community College • Volunteer State Community College  
Walters State Community College • Nashville State Technical Community College • Northeast State Technical Community College  
The Tennessee Technology Centers

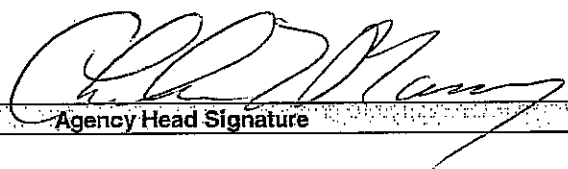
# REQUEST: NON-COMPETITIVE CONTRACT

APPROVED

Commissioner of Finance & Administration  
Date:

Each of the request items below indicates specific information that must be individually detailed or addressed as required. A request can not be considered if information provided is incomplete, non-responsive, or does not clearly address each of the requirements individually as required.

1) RFS #		
2) State Agency Name :	University of Memphis	
3) Service Caption :		
4) Proposed Contractor :	Learfield Communications/Tiger Sports Properties	
5) Contract Start Date : (attached explanation required if date is < 60 days after F&A receipt)	July 1, 2007	
6) Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	June 30, 2022	
7) Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	Revenue Contract Thirty-four million	
8) Approval Criteria : (select one)	<input checked="" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state <input type="checkbox"/> only one uniquely qualified service provider able to provide the service	
9) Description of Service to be Acquired :	Exploitation of Athletic Department's multi-media rights.	
10) Explanation of the Need for or Requirement Placed on the Procuring Agency to Acquire the Service :	Outsourcing this activity is more cost effective and results in much more revenue to the University.	
11) Explanation of Whether the Procuring Agency Bought the Service in the Past, & if so, What Procurement Method It Used :	Original service was procured through a competitive bid process.	
12) Name & Address of the Proposed Contractor's Principal Owner(s) : (not required if proposed contractor is a state education institution)	Clyde Lear is the principal owner of this closely-held private corporation. The corporate headquarters is located at 505 Hobbs Road, Jefferson City, MO 65109-6829.	
13) Evidence of the Proposed Contractor's Experience and Length of Experience Providing the Service :	Contractor has been in this business since 1975.	

<b>14) Documentation of Office for Information Resources Endorsement :</b> (required only if the subject service involves information technology)		
select one:	<input checked="checked" type="checkbox"/> XX Documentation Not Applicable to this Request	<input type="checkbox"/> Documentation Attached to this Request
<b>15) Documentation of Department of Personnel Endorsement :</b> (required only if the subject service involves training for state employees)		
select one:	<input checked="checked" type="checkbox"/> XX Documentation Not Applicable to this Request	<input type="checkbox"/> Documentation Attached to this Request
<b>16) Documentation of State Architect Endorsement :</b> (required only if the subject service involves construction or real property related services)		
select one:	<input checked="checked" type="checkbox"/> XX Documentation Not Applicable to this Request	<input type="checkbox"/> Documentation Attached to this Request
<b>17) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :</b>		
Because we are currently under contract with this corporation, we are unable to procure an alternative.		
<b>18) Justification of Why the State Should Use Non-Competitive Negotiation Rather Than a Competitive Process :</b> (Being the "only known" or "best" service provider to perform the service as desired will not be deemed adequate justification.)		
See attached sheets.		
<b>REQUESTING AGENCY HEAD SIGNATURE &amp; DATE :</b> (must be signed & dated by the <u>ACTUAL</u> procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)		
<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="width: 40%;">  </div> <div style="width: 40%; text-align: center;"> <div style="font-size: 1.5em; font-family: cursive;">5/18/07</div> </div> <div style="width: 20%;"></div> </div>		
<div style="display: flex; justify-content: space-between;"> <span>Agency Head Signature</span> <span>Date</span> </div>		

**FOURTH AMENDMENT TO  
AGREEMENT TO LICENSE  
UNIVERSITY OF MEMPHIS SPORTS PROPERTIES**

THIS FOURTH AMENDMENT TO AGREEMENT TO LICENSE UNIVERSITY OF MEMPHIS SPORTS PROPERTIES ("Amendment") is made and entered into the \_\_\_\_\_ day of \_\_\_\_\_, 2007 between THE UNIVERSITY OF MEMPHIS ("Memphis"), LEARFIELD COMMUNICATIONS, INC., a Missouri corporation ("Licensee") and TIGER SPORTS PROPERTIES, LLC, a Missouri limited liability Company ("TSP").

This Fourth Amendment shall modify the terms of such Agreement, as previously amended, in the following particulars:

1. **Extension of the Term.** Paragraph 3 of the Third Amendment entitled "Extension of the Term," is hereby amended to extend the term of this agreement to include the fiscal years of 2007- 2008 through 2016 – 2017 ("contract extension"). In exchange for the contract extension of the License Agreement for these years, TSP shall make a capital campaign contribution to Memphis in the amount of \$500,000 due at the time of the execution of this Amendment. In addition, for contract years 2008 – 2009 through 2011 – 2012, TSP shall make additional contributions in the amount of \$250,000 each year to be paid no later than August 1<sup>st</sup> of each year, for a total guaranteed capital campaign contribution of \$1,500,000.

Memphis shall have the option at the end of the fiscal years 2007 – 2008, 2008 – 2009, 2009 – 2010, 2010 – 2011, and 2011 – 2012 to extend this contract beyond the contract extension for additional one year increments, not to exceed five years ("option"). For the first three years in which Memphis chooses to exercise this option, TSP shall make capital campaign contributions to Memphis in the amount of \$250,000 in each of the following years: 2012 – 2013, 2013 – 2014, 2014 – 2015. If Memphis exercises its option in years 2010 – 2011 and 2011 – 2012 to extend this contract, TSP shall make a capital campaign contribution to Memphis in the amount of \$1,000,000 in year 2016 – 2017 of the contract. The total amount of the capital campaign contribution, if all options are exercised, shall be \$1,750,000.

2. **Adjustments to Royalty.**

a. Article 6, Section 6.01 of the License Agreement is amended to increase the annual royalty payable to Memphis from 30% of Gross Collected Cash Revenue, in excess of the Revenue Sharing Level, to 50% of that amount.

b. Paragraph 6 of the Amendment to Agreement to License University of Memphis Sports Properties entitled "Adjustments to Royalty" is hereby amended to read as follows:

"The Base Cash Rights Fee and the Revenue Sharing Level for each year of this extension shall be as follows:

Year	Base Cash Guaranteed Rights Fee	Revenue Share Hurdle
2007 – 2008	\$1,325,000	\$2,700,000
2008 – 2009	\$1,425,000	\$2,900,000
2009 – 2010	\$1,525,000	\$3,100,000
2010 – 2011	\$1,625,000	\$3,300,000
2011 – 2012	\$1,725,000	\$3,500,000
2012 – 2013	\$1,825,000	\$3,700,000
2013 – 2014	\$1,925,000	\$3,900,000
2014 – 2015	\$2,025,000	\$4,100,000
2015 – 2016	\$2,125,000	\$4,300,000
2016 – 2017	\$2,225,000	\$4,500,000
2017 – 2018 (option)	\$2,325,000	\$4,700,000
2018 – 2019 (option)	\$2,425,000	\$4,900,000
2019 – 2020 (option)	\$2,525,000	\$5,100,000
2020 – 2021 (option)	\$2,625,000	\$5,300,000
2021 – 2022	\$2,725,000	\$5,500,000

(option)		
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The term "Adjusted Gross Revenue (AGR)" shall mean all revenues collected by TSP from all sources less any agency fees, the actual costs of event tickets and parking passes purchased by TSP from Memphis, broadcast (radio and television) production expenses and the actual Internet, web design and web maintenance fees paid by TSP to a mutually selected vendor for the design and maintenance of the Licensee's Athletic Department website, and a capped \$50,000 investment by TSP in the growth of the business."

3. **Office Space.** Paragraph 8.1 of the Amendment entitled "Office Space" shall be amended to read as follows: "Memphis shall provide TSP with office space for up to five persons which will include three private offices, a small work room and storage space at the Memphis Athletic Office Building or at another nearby on-campus building with suitable conditions. If TSP's staff size expands because of growth of the business, Memphis will use best efforts to identify additional complimentary office space."

4. **Contributions.** Paragraph 8.9 of the Amendment entitled "Contributions" subpart (a.) shall be amended to read as follows: "TSP shall contribute the appropriate amount to remain a platinum-level Tiger Club member. The amount required is subject to change at the discretion of Memphis."

5. **Business Growth.** Paragraph 8.13 of the Amendment entitled "Business Growth" shall be inserted and shall read as follows: "In order to allow TSP the opportunity to solidify current athletic sponsors and expand the business with future prospects, Memphis agrees to make available a total of 20 spaces on football and men's basketball charters where Memphis incurs no incremental cost as a result of this travel. Memphis will use its best efforts to provide a total of eight (8) spaces/invites on charter football away game trips and twelve (12) total spaces/invites on men's basketball charter away game trips. The particular trips offered will be at Memphis' discretion and on a space available basis. Memphis will consider inclusion of TSP and its clients in merchandise and hospitality opportunities offered during these trips, at no additional charge to

TSP. In addition, Memphis will use its best efforts to obtain the same preferred lodging rate it receives at the Memphis team hotel for use by TSP, although TSP shall bear all expenses for lodging."

Subject to the changes of this Fourth Amendment as specified above, the above-referenced Agreement, as amended, is hereby ratified and confirmed.

IN WITNESS WHEREOF, Memphis, Licensee and TSP's authorized representatives have caused this Amendment to be executed on the dates indicated, but this amendment shall be effective as of July 1, 2007.

**UNIVERSITY OF MEMPHIS**

By: \_\_\_\_\_

Dr. Shirley C. Raines, President

and

By: \_\_\_\_\_

R.C. Johnson, Director of Athletics

**LEARFIELD COMMUNICATIONS, INC**

By: \_\_\_\_\_

Greg Brown, Sr. Vice President

**TIGER SPORTS PROPERTIES, LLC**

By: LEARFIELD COMMUNICATIONS, INC.

By: \_\_\_\_\_

Greg Brown, Sr. Vice President



# CONTRACT SUMMARY SHEET

021406

<b>RFS #</b>	<b>Contract #</b>
<b>State Agency</b>	<b>State Agency Division</b>
University of Memphis	
<b>Contractor Name</b>	<b>Contractor ID # (FEIN or SSN)</b>
Learfield Communications/Tiger Sports Properties	<input type="checkbox"/> C- or <input type="checkbox"/> V- 43-0998586

<b>Service Description</b>			
exploitation of Athletic Department's multi-media rights			
<b>Contract BEGIN Date</b>	<b>Contract END Date</b>	<b>Subrecipient or Vendor?</b>	<b>CFDA #</b>
1-Jul-07	30-Jun-17	Vendor	

<b>Mark Each TRUE Statement</b>	
<input type="checkbox"/> Contractor is on STARS	<input type="checkbox"/> Contractor's Form W-9 is on file in Accounts

Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
740020		58204	112000		

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2007-2008				\$ (2,350,000.00)	\$ (2,350,000.00)
2008-2009				\$ (1,700,000.00)	\$ (1,700,000.00)
2009-2010				\$ (1,800,000.00)	\$ (1,800,000.00)
2010-2011				\$ (1,900,000.00)	\$ (1,900,000.00)
2011-2012				\$ (2,000,000.00)	\$ (2,000,000.00)
2012-2013				\$ (2,100,000.00)	\$ (2,100,000.00)
<b>TOTAL:</b>	\$ -	\$ -	\$ -	\$ (11,850,000.00)	\$ (11,850,000.00)

<b>COMPLETE FOR AMENDMENTS ONLY —</b>			<b>State Agency Fiscal Contact &amp; Telephone #</b>
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	<div style="text-align: right;"> <i>Shirley C. Ramer</i> 5/4/07  <b>State Agency Budget Officer Approval</b>    5/4/07 </div>
<b>Funding Certification</b> (certification, required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)			
<b>TOTAL:</b>			
<b>End Date</b>			

<b>Contractor Ownership</b> (complete only for base contracts with contract # prefix: FA or GR)			
<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input checked="" type="checkbox"/> Small Business <input checked="" type="checkbox"/> NOT disadvantaged
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> OTHER minority/disadvantaged—

<b>Contractor Selection Method</b> (complete for ALL base contracts — N/A to amendments or delegated authorities)			
<input checked="" type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation	<input type="checkbox"/> Alternative Competitive Method	
<input checked="" type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Negotiation w/ Government (eg, ID, GG, GU)	<input type="checkbox"/> Other	

<b>Procurement Process Summary</b> (complete for Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)
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Note - RFP for original agreement; current non-competitive negotiation. See Attached Business Case for Tiger Sports Properties Extension.

## **BUSINESS CASE FOR TIGER SPORTS PROPERTIES EXTENSION**

### **Background**

The University of Memphis is currently under contract with Learfield Sports, who exploits our multi-media athletic rights under an entity called Tiger Sports Properties ("TSP"). The University's relationship with TSP has been very successful, as further described below. Because of the ongoing success and the potential moving forward, the University requested a capital campaign contribution from Learfield. Learfield is willing to make a significant contribution, but desires an extension of their current contract period as a business justification for the company to make the contribution. Listed below are the reasons that the University believes such an extension is in the best business interest of the University.

### **Sales Traction in the Marketplace**

TSP has full knowledge of the Memphis marketplace and has developed strong relationships with the corporate community over the past six (6) years that will serve to benefit our partnership in the years to come. Marketplace traction at this level (and the resultant trust) allows TSP to secure long-term, multi-year agreements with advertisers/sponsors, thus creating an annuity for the business unit. In addition, attrition happens in the sales world, but consistent representation in the marketplace allows for deeper cultivation of new prospects. That consistency or traction in the marketplace provides for replacement of any lost customers and allows the business to continue the annual growth pattern that has been established. Further this traction also provides for continued growth of what has become a very lucrative revenue share component of the partnership. It is our belief that should the business be opened up or potentially transitioned to a different provider, the corporate relationships and momentum in the marketplace would be lost and have to be re-cultivated. A change would be **more than disruptive** to the overall positive momentum both relationally and financially that the University enjoys. Clients see TSP as an extension of the athletic department therefore change in representation is potentially impacting on far more than just the sponsorship side of the athletic department's business.

### **Outstanding Revenue Sharing History**

TSP has demonstrated outstanding sales growth translating to a tremendous track record of end of year revenue sharing with Memphis. TSP has exceeded the revenue share hurdle (thus providing additional revenue to Memphis above the guaranteed rights fee) in 4 of the 5 years of operating the business and is on track to make it 5 out of 6 in 2006-07. Based on our research of other institutions that work with other providers, this revenue share is contrary to what takes place with most companies in the multi-media space.

2001-02/Year 1: \$0  
2002-03/Year 2: \$3,426  
2003-04/Year 3: \$141,659  
2004-05/Year 4: \$319,179  
2005-06/Year 5: \$448,033  
2006-07/Year 6: ?

Memphis has received revenue share checks from TSP totaling **\$912,297**.  
These dollars are in excess of the annual guaranteed rights fee.

### **Aggressive Financial Package**

TSP has proposed an enhanced financial package that in our opinion far exceeds what the open market would bare. This package not only provides substantial increases to the annual guaranteed rights fees and the revenue hurdle share percentage (from 30% to 50%), but it compensates the University of Memphis substantially more dollars for years already under contract, which we would not otherwise receive. And the new offer provides an aggressive front-loaded Capital Fund of \$3.25M to assist Tiger Athletics with much needed facility projects, assuming all options are exercised.

It is important to note that TSP is increasing its guaranteed financial commitment to Memphis by \$1.5M over the next four (4) years, even though these years are already under contract. This is simply new money that we would not otherwise be entitled to. As the current rights holder, TSP is in position today to beef up its current rights fees in exchange for the opportunity of additional years to operate the business.

### **Financial Stability**

Learfield has grown to be the most profitable company in the college sports marketing industry during its thirty-five (35) years of operation and is the longest tenured company in the space. The company is financially sound and independently owned, which allows the decision making process to be streamlined. Learfield has fulfilled all of its financial responsibilities in its six (6) years of operation at Memphis as well as at each of its other thirty-one (31) University partners.

### **TSP is an integral part of the Memphis Athletics Staff**

The staff of TSP is highly accepted both internally and externally in the marketplace as part of the Memphis Athletics Staff. The TSP staff understands our (University of Memphis/Tiger Athletics) overall mission and has demonstrated a service orientation and cooperation related to game-day presentation and operations. TSP has represented our University in a first class manner and we are confident that they will continue to work closely with Athletic Department personnel to develop and implement the sponsorship sales, service, and fulfillment strategy. If a change is made, extremely valuable team chemistry and continuity is lost which will be detrimental to Memphis.

**Learfield Sports is the industry leader in the College Market**

Learfield, TSP's parent company, is the leader in collegiate sports marketing. With thirty-five (35) years of experience, thirty-four (34) business units and thirty-two (32) current University partnerships, Learfield is nationally recognized for its quality performance and professional workmanship. Most importantly, Learfield/TSP takes great pride in promoting the cultures and values that are consistent with the University of Memphis and the best of college athletics.

As the collegiate sports marketing business evolves, several challenges and exciting opportunities will be presented to the Memphis program. We feel that being partnered with Learfield/TSP puts us in the best position to take advantage of these opportunities. Learfield has a diverse portfolio of university partners with representation in all of the major athletic conferences that will allow Memphis to be on the cutting edge of all advancements as well as benefit from the experience Learfield has gained across the country. The Memphis property has access to industry best practices, successful sales concepts as well as on-going sales training and unmatched corporate support. It is our firm belief that with a dedicated staff of qualified trained professionals supported by the corporate resources and nationwide market knowledge of Learfield, TSP will continue to provide unsurpassed performance for the University of Memphis.

The one other significant competitor to Learfield in this field is Host Communication. Host has represented the University of Tennessee since approximately 1989, and the University of Memphis would prefer a different vendor because of the potential for conflicts of interest if one company was trying to sell both universities to similar potential clients around the state.

## MEMPHIS PROPOSAL

5/1/07

Tiger Sports Properties/Learfield Sports proposes entering into a Multi-Media Rights Agreement with the University of Memphis for ten (10) years to include the 2007-08 through 2016-17 athletic seasons, with an option for the University to extend the agreement, in one-year increments, by an additional five (5) years to include the 2017-18 through 2021-22 athletic seasons.

### Financial Structure

Tiger Sports Properties (TSP) proposes the following rights fee structure. This plan is a financial enhancement of the current rights fee/revenue hurdle structure (the guaranteed total in the years currently under contract increases by \$1.5 Million, including \$250,000 in Base Rights Fee and \$1.25 Million in Capital Fund contributions) and includes a total of a \$3.25 Million Capital Fund contribution paid annually over ten years beginning with the 2007-08 season, assuming all conditions are met.

	<b>Base Cash Rights Fee</b>	<b>Capital Fund</b>	<b>Tiger Scholar- ship Fund**</b>	<b>Total</b>	<b>Share Hurdle</b>
*2007-08	\$1,325,000	\$500,000	\$25,000	\$2,350,000	\$2,700,000
*2008-09	\$1,425,000	\$250,000	\$25,000	\$1,700,000	\$2,900,000
*2009-10	\$1,525,000	\$250,000	\$25,000	\$1,800,000	\$3,100,000
*2010-11	\$1,625,000	\$250,000	\$25,000	\$1,900,000	\$3,300,000
2011-12	\$1,725,000	\$250,000	\$25,000	\$2,000,000	\$3,500,000
2012-13	\$1,825,000	\$250,000***	\$25,000	\$2,100,000	\$3,700,000
2013-14	\$1,925,000	\$250,000***	\$25,000	\$2,200,000	\$3,900,000
2014-15	\$2,025,000	\$250,000***	\$25,000	\$2,300,000	\$4,100,000
2015-16	\$2,125,000		\$25,000	\$2,400,000	\$4,300,000
2016-17	\$2,225,000	\$1,000,000***	\$25,000	\$2,500,000	\$4,500,000
<b>TOTALS</b>	<b>\$17,750,000</b>	<b>\$3,250,000</b>	<b>\$250,000</b>	<b>\$21,250,000</b>	

### ADDITIONAL ESTIMATED AMOUNTS RECEIVED BEYOND CURRENT CONTRACTUAL OBLIGATIONS:

ADDITIONAL BASE CASH RIGHTS FEE:	<b>\$400,000</b>
CAPITAL CAMPAIGN CONTRIBUTION	<b>\$3,250,000****</b>
ADDITIONAL SHARE BASED ON INCREASED %	<b>\$2,630,000</b>
<b>TOTAL</b>	<b>\$6,280,000</b>

\*\*\*\*\$1,750,000 of this capital campaign contribution is at risk, depending on whether all options are exercised by the University.

2017-18	\$2,325,000	\$25,000	\$2,350,000	\$4,700,000
2018-19	\$2,425,000	\$25,000	\$2,450,000	\$4,900,000
2019-20	\$2,525,000	\$25,000	\$2,550,000	\$5,100,000
2020-21	\$2,625,000	\$25,000	\$2,650,000	\$5,300,000
2021-22	\$2,725,000	\$25,000	\$2,750,000	\$5,500,000
<b>Total (5 years)</b>	<b>\$12,625,000</b>	<b>\$125,000</b>	<b>\$12,750,000</b>	

### ADDITIONAL ESTIMATED AMOUNTS RECEIVED BASED ON CURRENT CONTRACTUAL OBLIGATIONS:

ADDITIONAL BASE CASH RIGHTS FEE:	<b>\$125,000</b>
ADDITIONAL SHARE BASED ON INCREASED %	<b>\$1,550,000</b>
<b>TOTAL</b>	<b>\$1,675,000</b>

**TOTAL INCREASED AMOUNT, WITH ALL EXTENSIONS:** **\$7,955,000**

\*Denotes years currently under contract.

\*\*TSP agrees to maintain their Tiger Scholarship Fund contribution at the level required to maintain the benefits they currently enjoy.

\*\*\*TSP's commitment to make these contributions is dependent upon the University's exercise of its options in each of the first five years of this contract (2007-2008 through 2011-2012) to extend the contract by one year.

### **Revenue Sharing**

In addition to the annual guaranteed rights fee stated in this section, the University of Memphis will receive fifty percent (50%) of all annual collected Adjusted Gross Revenue (AGR) that exceeds the thresholds (revenue share hurdle) listed above. Current AGR definition and deductions will continue with the addition of broadcast (radio and tv) production expenses and a capped investment by TSP in the growth of the business.

### **Term**

The term of the License Agreement shall be ten (10) years, including the athletic seasons of 2007-08 through 2016-17. In addition, at the end of each of the next five (5) athletic years (2007-08, 2008-09, 2009-10, 2010-11 and 2011-12), Memphis shall have the option to extend this contract by an additional one (1) year, subject to the terms outlined above. For each of the first three years in which Memphis chooses to extend the agreement, an additional \$250,000 capital campaign contribution shall be made, as indicated on the above chart for years 2012-2013 through 2014-2015. If Memphis exercises its option to extend the contract by one year at the end of the fourth and fifth year of the agreement, an additional \$1,000,000 capital campaign contribution shall be made in year 2016-2017.